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Monthly
Failures

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BUSINESS FAILURE LIABILITIES UP STEEPLY EARLY IN YEAR

NEW YORK, September 8 - - Beginning the year with a sharp upturn, commercial and industrial failures climbed to 729 in January from 509 in December, according to Dun & Bradstreet. As well, business casualties pushed 13.6 per cent above January 1979 to reach the highest rate for any January since 1976.

An even steeper jump took place in the amount of dollar liabilities involved in the month's failures, up $243.1 million from $138.0 million in the previous month. Also, volume was one-third heavier than in January a year earlier when it stood at $182.2 million and topped any other January total since 1976. Casualties of all liability sizes were more numerous than in the preceding month, but only those incurring more than $25,000 exceeded comparable '79 levels.

In all types of operation, failures rose during January, with the mildest increase in wholesaling and the most severe in retailing where casualties were half again as heavy as in January. This category also showed the sharpest uptrend from a year earlier, a 23.4 per cent rise. In fact, while tolls in other functions did not run as high as in some months of 1979, retailing suffered the highest number since 1977. General merchandise stores were particularly hard hit with over twice as many failures as in the preceding month and four times as many as in January a year earlier.

Construction failures in the initial month of 1980 mounted 48.8 per cent from the December rate but remained an edge under the year-earlier January level among both general builders and subcontractors. In manufacturing, too, casualties fell slightly short of 1979 levels due primarily to an easing in the printing and publishing and machinery industries.

All regions showed a month-to-month upturn in business casualties though the rise was minimal in the Mountain States. The West North Central and East South Central States were hit by the largest number of failing businesses in over a year and a half. It contrast, fewer casualties occurred than in the like month 1979 in the West South Central, Mountain and Pacific States.

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INDUSTRY AND TRADE	NUMBER OF FAILURES			LIABILITIES		
	JANUARY		DECEMBER	JANUARY		DECEMBER
	1980	1979	1979	1980	1979	1979
MINING AND MANUFACTURING						
Mining-Coal, Oil, Miscellaneous	1	5	--	991	8,310	--
Food & Kindred Products	8	4	5	5,624	10,436	12,109
Textile Mill Products & Apparel	10	15	9	9,370	10,532	5,621
Lumber & Lumber Products	12	7	8	1,343	1,341	875
Paper, Printing & Publishing	8	14	10	1,612	6,104	1,466
Chemicals & Allied Products	7	3	1	1,542	1,922	127
Leather & Leather Products	--	--	--	--	--	--
Stone, Clay & Glass Products	5	2	1	624	334	15
Metals, Primary & Fabricated	11	13	6	9,912	3,556	1,319
Machinery	10	15	15	6,997	19,177	4,769
Transportation Equipment	5	5	5	1,524	3,862	1,907
Miscellaneous	21	14	3	4,215	5,466	613
TOTAL MINING & MANUFACTURING	98	99	69	45,763	71,547	29,921
WHOLESALE TRADE						
Food & Farm Products	11	10	9	8,857	4,594	1,352
Apparel	2	1	4	150	376	423
Dry Goods	4	2	2	7,641	1,341	1,606
Lumber, Bldg. Materials & Hardware	--	2	--	4,515	914	3,517
Chemicals & Drugs	2	1	3	420	101	632
Motor Vehicles & Auto Equipment	6	8	7	639	583	3,711
Electrical Goods	2	5	3	916	2,309	439
Furniture & Furnishings	4	2	6	3,024	3,065	4,235
Machinery, Equipment & Supplies	14	11	13	2,549	1,401	3,409
Miscellaneous	21	24	17	20,359	11,953	5,390
TOTAL WHOLESALE TRADE	91	66	70	49,659	26,237	25,692
RETAIL TRADE						
Food & Liquor	39	51	22	4,258	5,706	2,961
General Merchandise	21	5	4	6,108	5,457	2,075
Apparel Accessories	32	30	26	3,510	2,746	2,676
Furniture & Home Furnishings	49	58	54	11,606	3,679	8,770
Lumber, Bldg. Materials & Hardware	17	16	4	2,725	5,674	2,596
Automotive Group	44	44	51	20,407	4,215	5,181
Eating & Drinking Places	64	55	51	5,442	7,939	9,594
Drug Stores	4	5	3	230	646	246
Miscellaneous	57	42	33	25,693	5,931	5,556
TOTAL RETAIL TRADE	332	269	228	84,136	36,212	39,687
CONSTRUCTION						
General Building Contractors	61	65	47	19,834	15,065	11,525
Building Sub-Contractors	56	50	32	6,603	6,990	4,690
Other Contractors	5	6	3	4,063	2,609	694
TOTAL CONSTRUCTION	122	121	82	30,420	24,664	16,909
COMMERCIAL SERVICE						
Passenger & Freight Transportation	32	28	29	10,248	6,349	21,765
Miscellaneous Public Services	2	1	--	224	32	--
Hotels	2	--	3	680	--	971
Cleaning, Dyeing & Repairing	2	4	--	10	167	--
Laundries	--	--	--	--	--	--
Undertakers	--	--	--	--	--	--
Other Personal Services	3	6	4	464	796	474
Business Services	41	32	17	11,508	15,850	4,949
Repair Services	5	10	13	410	276	799
TOTAL COMMERCIAL SERVICE	99	81	66	23,544	23,471	29,946
TOTAL UNITED STATES	729	642	509	243,149	182,220	159,015

APPARENT ANNUAL NUMBER OF FAILURES PER 10,000 LISTED ENTERPRISES

	UNADJUSTED INDEX			ADJUSTED INDEX		
	1980	1979	1978	1980	1979	1978
January	31.2	27.7	21.8	30.1	27.4	21.5
February		27.8	27.4		24.4	24.0
March		34.1	26.3		27.9	24.6
April		32.7	29.3		30.2	24.1
May		30.3	24.3		29.1	23.4
June		26.9	21.7		26.2	21.9
July		28.5	20.2		27.5	22.0
August		30.2	27.4		32.9	29.9
September		23.5	20.3		26.1	22.6
October		32.9	21.8		33.6	22.5
November		24.0	26.0		23.1	25.2
December		27.7	24.0		24.9	26.4
No. Average		27.8	23.9			

	NUMBER OF FAILURES			LIABILITIES (In Thousands of Dollars)		
	1980	1979	1978	1980	1979	1978
January	729	642	504	243,149	182,220	168,309
February		545	559		177,087	205,014
March		732	666		187,765	324,412
April		734	594		242,764	202,990
May		708	583		200,449	160,595
June		602	519		273,171	179,859
July		565	459		212,200	231,821
August		736	675		217,451	206,369
September		505	458		186,765	127,022
October		767	511		395,755	475,342R
November		519	556		184,307	179,935
December		509	439		132,015	186,436
Total		7,564	6,619		2,667,362	2,656,006R

DUN'S FAILURE INDEX RELATES THE NUMBER OF FAILURES IN EACH MONTH TO THE NUMBER OF INDUSTRIAL AND COMMERCIAL ENTERPRISES LISTED IN THE DUN & BRADSTREET REFERENCE BOOK. IT SHOWS THE ANNUAL RATE AT WHICH BUSINESS CONCERNS WOULD FAIL IF THE NUMBER OF FAILURES AND CONCERNS LISTED IN THAT MONTH PREVAILED FOR AN ENTIRE YEAR. THE INDEX IS EXPRESSED AS THE ANNUAL NUMBER OF FAILURES PER 10,000 LISTED INDUSTRIAL AND COMMERCIAL ENTERPRISES.

THE "UNADJUSTED" FIGURES HAVE BEEN SLIGHTLY ADJUSTED TO EQUALIZE, IN SO FAR AS POSSIBLE, THE NUMBER OF WORKING DAYS IN EACH MONTH. SEASONAL FLUCTUATIONS HAVE BEEN REMOVED IN THE ADJUSTED INDEX BY THE METHOD OF DEVIATIONS FROM A TWELVE-MONTH MOVING AVERAGE.

BUSINESS FAILURES INCLUDE THOSE BUSINESSES THAT CEASED OPERATIONS FOLLOWING ASSIGNMENT, OR BANKRUPTCY; CEASED WITH THE LOSS TO CREDITORS AFTER SUCH ACTIONS AS EXECUTION, FORECLOSURE, OR ATTACHMENT; VOLUNTARILY WITHDREW LEAVING UNPAID OBLIGATIONS; WERE INVOLVED IN COURT ACTIONS SUCH AS RECEIVERSHIP, REORGANIZATION, OR ARRANGEMENT, OR VOLUNTARILY COMPROMISED WITH CREDITORS OUT OF COURT.

LIABILITIES, AS USED IN THE FAILURE RECORD, HAVE A SPECIAL MEANING: THEY INCLUDE ALL ACCOUNTS AND NOTES PAYABLE AND ALL OBLIGATIONS, WHETHER IN SECURED FORM OR NOT, KNOWN TO BE HELD BY BANKS, OFFICERS, AFFILIATED COMPANIES, SUPPLYING COMPANIES, OR THE GOVERNMENT. THEY DO NOT INCLUDE LONG-TERM, PUBLICLY-HELD OBLIGATIONS. OFFSETTING ASSETS ARE NOT TAKEN INTO ACCOUNT.

UNITED STATES FAILURES BY STATES -- JANUARY 1980

REGIONS AND STATES	NUMBER OF FAILURES			LIABILITIES (In Thousands of Dollars)		
	JANUARY			JANUARY		
	Jan. 1980	Jan. 1979	Dec. 1979	Jan. 1980	Jan. 1979	Dec. 1979
MAINE	11	5	2	9,609	624	277
NEW HAMPSHIRE	1	--	2	50	--	80
VERMONT	--	1	--	--	35	--
MASSACHUSSETS	22	25	10	7,202	6,856	1,544
CONNECTICUT	9	9	4	7,161	850	466
RHODE ISLAND	--	--	2	--	--	312
TOTAL NEW ENGLAND	43	40	20	24,022	8,365	2,679
NEW YORK	30	33	29	17,973	11,593	7,727
NEW JERSEY	43	21	31	21,006	26,919	7,479
PENNSYLVANIA	43	29	26	4,382	23,624	10,681
TOTAL MIDDLE ATLANTIC	116	83	86	43,361	62,136	25,887
OHIO	17	25	23	2,858	4,311	10,269
INDIANA	29	8	10	7,620	818	2,013
ILLINOIS	44	30	38	7,330	5,386	6,678
MICHIGAN	57	48	20	15,876	12,276	2,087
WISCONSIN	14	12	11	2,353	763	1,775
TOTAL EAST NORTH CENTRAL	161	125	102	36,037	23,554	22,822
MINNESOTA	20	23	17	27,096	2,880	6,249
IOWA	11	6	6	986	1,040	585
MISSOURI	7	4	1	1,112	736	54
NORTH DAKOTA	4	4	2	627	599	312
SOUTH DAKOTA	2	2	--	292	891	--
NEBRASKA	4	7	7	552	808	567
KANSAS	13	11	9	1,371	1,427	1,098
TOTAL WEST NORTH CENTRAL	61	57	42	32,036	8,381	8,885
MARYLAND	17	6	10	1,810	1,910	967
DELAWARE	--	3	--	--	280	--
DISTRICT OF COLUMBIA	--	1	--	--	50	--
VIRGINIA	21	5	9	4,329	1,117	4,985
WEST VIRGINIA	--	1	1	--	400	200
NORTH CAROLINA	12	11	4	6,645	1,031	7,100
SOUTH CAROLINA	--	--	--	--	--	--
GEORGIA	19	16	--	5,344	2,910	--
FLORIDA	4	7	11	4,396	1,684	2,400
TOTAL SOUTH ATLANTIC	72	50	35	22,514	9,382	14,752
KENTUCKY	21	4	14	4,878	2,183	2,245
TENNESSEE	29	13	21	11,122	2,230	6,139
ALABAMA	1	9	2	567	1,194	340
MISSISSIPPI	1	4	--	983	609	--
TOTAL EAST SOUTH CENTRAL	52	30	43	17,550	6,216	8,724
ARKANSAS	4	7	7	717	514	2,049
OKLAHOMA	13	9	3	5,548	7,555	678
LOUISIANA	7	8	7	18,708	1,382	9,930
TEXAS	47	52	42	11,465	20,718	8,108
TOTAL WEST SOUTH CENTRAL	71	76	59	36,439	30,239	20,773
MONTANA	1	3	2	101	369	75
IDAHO	--	4	2	--	787	308
WYOMING	--	2	1	--	1,626	557
COLORADO	10	7	9	3,128	771	1,885
NEW MEXICO	8	--	5	841	--	5,172
ARIZONA	--	5	--	--	178	--
UTAH	--	8	--	--	660	--
NEVADA	3	3	2	626	245	103
TOTAL MOUNTAIN	22	32	20	4,696	4,636	8,100
ALASKA	--	--	--	--	--	--
HAWAII	8	3	3	768	102	507
WASHINGTON	--	26	--	--	5,448	--
OREGON	13	12	17	3,872	1,143	4,333
CALIFORNIA	110	110	82	21,955	22,618	20,553
TOTAL PACIFIC	131	151	102	26,495	29,311	25,393
25 LARGEST CITIES						
NEW YORK, NEW YORK	27	27	22	15,225	9,908	6,725
CHICAGO, ILLINOIS	8	7	6	1,650	1,963	903
LOS ANGELES, CALIFORNIA	11	3	12	5,986	253	8,024
PHILADELPHIA, PENNSYLVANIA	13	8	7	710	12,492	2,406
DETROIT, MICHIGAN	8	8	1	2,202	2,709	75
HOUSTON, TEXAS	11	5	7	1,889	968	564
BALTIMORE, MARYLAND	7	1	2	576	100	146
DALLAS, TEXAS	6	8	5	1,148	9,811	1,391
WASHINGTON, D.C.	--	1	--	--	50	--
CLEVELAND, OHIO	--	2	--	--	89	--
INDIANAPOLIS, INDIANA	9	--	3	1,067	--	723
MILWAUKEE, WISCONSIN	--	--	1	--	--	94
SAN FRANCISCO, CALIFORNIA	5	4	3	351	389	489
SAN DIEGO, CALIFORNIA	1	2	2	331	280	336
SAN ANTONIO, TEXAS	7	5	4	2,194	1,075	563
BOSTON, MASSACHUSETTS	6	3	--	690	455	--
MEMPHIS, TENNESSEE	2	--	4	171	--	317
ST. LOUIS, MISSOURI	--	--	--	--	--	--
NEW ORLEANS, LOUISIANA	2	--	--	17,837	--	--
PHOENIX, ARIZONA	--	1	--	--	2	--
COLUMBUS, OHIO	3	1	3	594	46	364
SEATTLE, WASHINGTON	--	5	--	--	615	--
JACKSONVILLE, FLORIDA	--	--	--	--	--	--
PITTSBURGH, PENNSYLVANIA	1	2	--	37	1,725	--
DENVER, COLORADO	2	1	2	278	37	526
TOTAL 25 CITIES	129	94	84	53,036	42,867	23,546
BALANCE OF COUNTRY	600	548	425	190,113	139,353	114,469
TOTAL UNITED STATES	729	642	509	243,149	182,220	138,015

SIZE OF LIABILITIES (In Thousands of Dollars)

SIZE OF LIABILITIES BY INDUSTRY GROUP	JANUARY 1980 NUMBER	JANUARY 1980 PER CENT	JANUARY 1980 CURRENT LIAB.	JANUARY 1979 NUMBER	JANUARY 1979 PER CENT	JANUARY 1979 CURRENT LIAB.	DECEMBER 1979 NUMBER	DECEMBER 1979 PER CENT	DECEMBER 1979 CURRENT LIAB.
MINING & MANUFACTURING	96	100.0	43,763	99	100.0	71,647	69	100.0	28,921
Under $5,000	--	--	--	--	--	--	--	--	--
$5,000 to $25,000	8	8.3	116	5	5.0	86	5	7.2	74
$25,000 to $100,000	19	19.8	1,015	35	35.4	1,859	20	29.0	1,147
$100,000 to $1,000,000	57	59.4	17,872	45	45.5	11,900	38	55.1	10,230
$1,000,000 and Over	12	12.5	24,760	14	14.1	57,803	6	8.7	17,370
WHOLESALE TRADE	81	100.0	49,639	66	100.0	26,237	70	100.0	23,652
Under $5,000	--	--	--	--	--	--	--	--	--
$5,000 to $25,000	4	4.9	69	4	6.1	48	3	4.3	57
$25,000 to $100,000	28	34.6	1,684	21	31.8	1,023	21	30.0	1,280
$100,000 to $1,000,000	40	49.4	12,115	35	53.0	10,528	40	57.1	9,410
$1,000,000 and Over	9	11.1	35,771	6	9.1	14,638	6	8.6	12,905
RETAIL TRADE	332	100.0	84,136	269	100.0	36,212	220	100.0	39,587
Under $5,000	4	1.2	12	4	1.5	13	1	0.5	1
$5,000 to $25,000	32	9.6	465	59	21.9	972	21	9.5	357
$25,000 to $100,000	148	44.6	8,063	106	39.4	5,855	106	48.2	6,485
$100,000 to $1,000,000	139	41.9	32,753	98	36.4	21,914	85	38.6	19,086
$1,000,000 and Over	9	2.7	42,843	2	0.8	7,458	7	3.2	13,758
CONSTRUCTION	122	100.0	30,420	127	100.0	24,653	92	100.0	16,909
Under $5,000	--	--	--	--	--	--	--	--	--
$5,000 to $25,000	15	12.3	264	9	7.1	149	7	8.5	102
$25,000 to $100,000	47	38.5	2,692	56	44.1	2,831	30	36.6	1,556
$100,000 to $1,000,000	56	45.9	15,294	57	44.9	14,308	43	52.5	11,089
$1,000,000 and Over	4	3.3	12,150	5	3.9	7,265	2	2.4	4,163
COMMERCIAL SERVICE	98	100.0	35,191	81	100.0	23,471	68	100.0	28,946
Under $5,000	--	--	--	2	2.5	7	--	--	--
$5,000 to $25,000	14	14.3	240	18	22.2	259	9	13.2	131
$25,000 to$100,000	44	44.9	2,322	36	44.4	1,978	19	28.0	1,004
$100,000 to $1,000,000	33	33.7	10,019	22	27.2	6,984	34	50.0	9,272
$1,000,000 to Over	7	7.1	22,610	3	3.7	14,444	6	8.8	18,539
TOTAL UNITED STATES	729	100.0	243,149	642	100.0	182,220	509	100.0	138,015
Under $5,000	4	0.6	12	6	0.9	20	1	0.2	1
$5,000 to $25,000	73	10.0	1,174	95	14.8	1,513	45	8.8	721
$25,000 to $100,000	286	39.2	15,776	254	39.6	13,545	196	38.5	11,472
$100,000 to $1,000,000	325	44.6	88,053	257	40.0	65,534	240	47.2	59,086
$1,000,000 and Over	41	5.6	138,134	30	4.7	101,608	27	5.3	66,735

FAILURES BY FEDERAL RESERVE DISTRICT BY DIVISIONS OF INDUSTRY...JANUARY 1980
(Liabilities in Thousands of Dollars)

FEDERAL RESERVE DISTRICTS BY INDUSTRY GROUP	MANUFACTURING NUMBER	MANUFACTURING CURRENT LIAB.	WHOLESALE TRADE NUMBER	WHOLESALE TRADE CURRENT LIAB.	RETAIL TRADE NUMBER	RETAIL TRADE CURRENT LIAB.	CONSTRUCTION NUMBER	CONSTRUCTION CURRENT LIAB.	COMM. SERVICE NUMBER	COMM. SERVICE CURRENT LIAB.	U.S. TOTAL NUMBER	U.S. TOTAL CURRENT LIAB.
Boston	3	2,649	7	8,586	26	11,067	4	223	1	1,209	41	23,734
New York	14	8,884	13	10,374	20	1,782	3	270	13	15,744	63	37,054
Philadelphia	7	1,00	2	259	23	1,953	10	1,511	4	306	46	5,829
Cleveland	3	1,287	7	1,412	23	2,341	9	1,599	2	247	44	6,886
Richmond	6	3,856	5	1,794	20	4,985	13	1,756	3	303	49	12,694
Atlanta	5	4,444	10	3,610	20	26,972	8	1,322	12	4,331	55	40,679
Chicago	18	8,833	12	2,130	72	16,329	20	2,490	16	2,682	138	32,464
St. Louis	1	75	5	713	12	1,635	7	1,604	2	68	27	4,295
Minneapolis	7	2,635	4	17,664	10	1,166	9	6,720	1	297	31	28,482
Kansas City	7	536	4	958	31	5,959	8	4,329	4	664	54	12,446
Dallas	6	4,198	2	495	20	2,029	7	3,507	12	1,236	47	11,465
San Francisco	19	4,566	10	1,644	55	7,718	22	5,089	28	8,104	134	27,121
TOTAL UNITED STATES	96	43,763	81	49,639	332	84,136	122	30,420	98	35,191	729	243,149

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